



## Germany's Fertilizer Industry

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### Summary

For the last 15 years the German market for fertilizer has been stagnating. Main reasons are the overall bad economic climate and a global oversupply. As a result of overcapacities in neighboring countries, the fertilizer market in Germany is, and will continue to be, affected by products imported at dumping prices

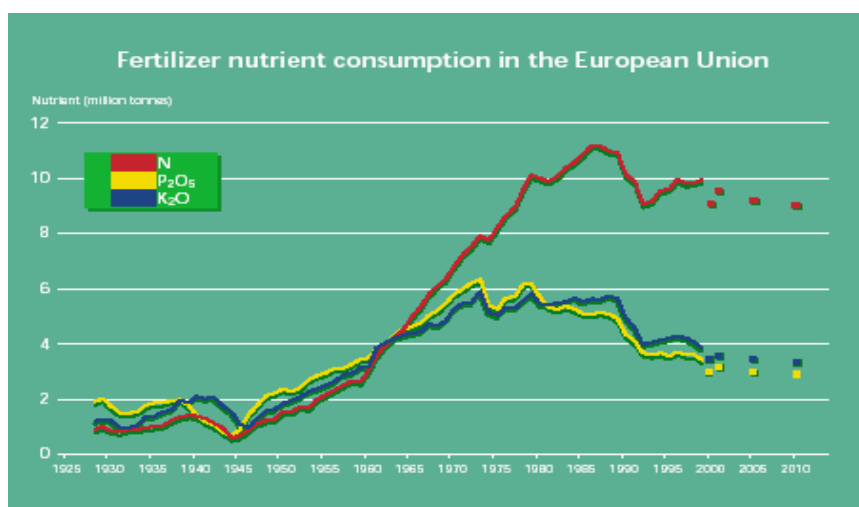
### A. Market Overview and General Information

German end-users rely on two different types of fertilizers: organic and mineral (manufactured) fertilizers. The four most important mineral fertilizers are nitrogen (N), phosphate (P<sub>2</sub>O<sub>5</sub>), potash (K<sub>2</sub>O) and lime (CaO). With annual sales of approximately EUR 1.5 billion, the German mineral fertilizer industry is an important global player.

The world market for fertilizers shows slow, but constant growth. In total, 141 million tons of nutrients were set off in 2004, 2.2 percent more than in the previous year. This increase is essentially due to growing demand in Asia and parts of the former Soviet Union.

Fertilizer consumption in the European Union peaked in 1990, since then it has been decreasing. Demand for nitrogen remained stable and phosphate consumption increased by 5.1 percent to 327,000 tons from 2002 to 2003, all other types experienced decreasing demand (potash lost 4.6 percent and lime 11.5 percent).

Chart 1: Fertilizer Nutrient Consumption in the EU

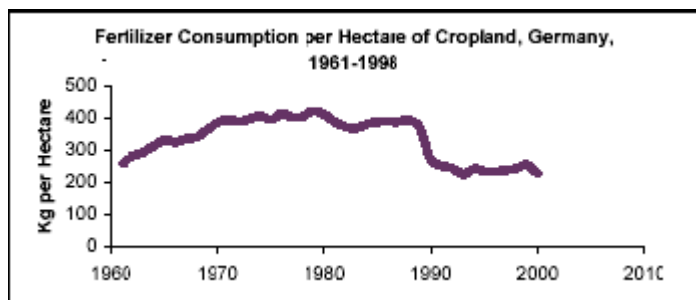


Source: [www.efma.org](http://www.efma.org)

Fertilizer consumption over the last years has declined. Besides economic stagnation and environmental considerations, modern farm management tends to favor a more targeted use of nutrients on soils and farmers use manure as a fertilizer. The combined market for pesticides and fertilizers in Germany is expected to decline by 5.1 percent over the forecast period to reach a volume of 4.5 billion tons by 2008.

Fertilizer industries in Germany and Europe are dominated by an oligopoly: Norsk Hydro, K+S, Kemira, Grande Paroisse, Fertiberia, and DSM. There is only a small degree of product differentiation; brand names do not play an important role, which leads to tough price competition.

*Chart 2: Fertilizer Consumption*



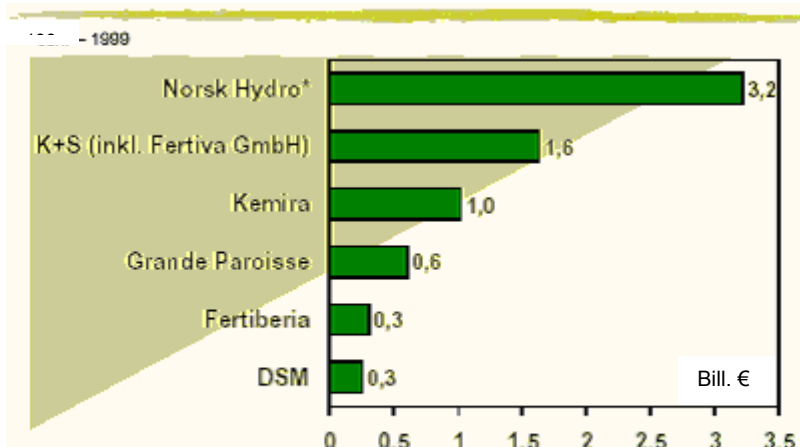
Source: [www.efma.org](http://www.efma.org)

The absence of nitrogen sources makes Germany the third largest nitrogen importer worldwide. Germany is, however, the world's 4<sup>th</sup> biggest potash producer and ranks third among exporters of potash. Around 3.5 million tons of potash fertilizers are produced annually.

From the 1970s until the mid-80's, prices increased by nearly 60 percent. The political change in Eastern Europe in the early 90's caused a general decline in demand of fertilizer products in that part of the world. Consequently, fertilizer producers focused increasingly on the markets in China and India. In 1997, China stopped the import of urea and India reduced the import of nitrogen. Consequently, an oversupply of fertilizers on the world market led to a dramatic price decline of 25 percent in the past years.

## B. Competitive Situation

The fertilizer industry is dominated by six companies with Norwegian NorskHydro (now Yara) being the market leader. The largest German company is K+S - it is Europe's second biggest company in this branch of industry.



\*The company Yara separated from Norsk Hydro in 2003 (<http://de.yara.com/de>)

More information can be found under [www.efma.org](http://www.efma.org)

Source: [www.efma.org](http://www.efma.org)

## C. Market Access

### *Promotional Opportunities*

- *Trade Fairs*

Trade fairs play a major role in product marketing in Germany. U.S. companies wishing to penetrate the German market often make their first approach at major trade fairs. Exhibiting at fairs can bring direct sales, but, more significantly, it can be one of the least expensive ways to test the market's receptivity for fertilizer products and related goods. Furthermore, the strength and scope of the competition in this branch of industry can be assessed and contacts with others "in the trade" can be established. From these contacts, U.S. companies can gather a great deal of valuable information about marketing in Germany and Europe.

### **Agritechnica 2005**

The international exhibition for agricultural machinery Agritechnica 2005 takes place in Hannover from November 8-12, 2005 and will attract German and international manufacturers and potential users of agricultural machinery. Agritechnica 2005 will feature 1,331 exhibitors from over 30 different countries (the United States included) <http://www.agritechnica.com/>

### **Eurotier**

Eurotier is held biannually and will take place November 14-17, 2006 in Hannover. In 2004, Eurotier saw 110,000 visitors (25 percent from outside Germany) and 1,400 exhibitors, with every fourth visitor coming from outside Germany. [www.eurotier.de](http://www.eurotier.de)

Both fairs listed above are organized by:

**Deutsche Messe AG**

Messegelände  
30521 Hannover  
Germany  
Managing Director: Mr. Peter Rippen  
Ph: 49-511-89-0  
Fax: 49-511-89-32626  
[www.messe.de](http://www.messe.de)

Deutsche Messe AG has a subsidiary in the United States:

Hannover Fairs USA  
103 Carnegie Center  
Princeton, NJ 08540  
President: Mr. Joachim Schaefer  
Ph: 609-987-1202  
Fax: 609-987-0098  
Email: [jschaefer@hfusa.com](mailto:jschaefer@hfusa.com)  
URL: [www.hfusa.com](http://www.hfusa.com)

**GaLaBau**

Another important trade fair for the agricultural industries is GaLaBau, which is going to take place in Nuremberg September 13-16, 2006. It had over 49,000 visitors and more than 890 exhibitors in 2004. It is Europe's biggest trade fair for landscaping, and saw an exhibitor increase of 5 percent in 2004 compared to 2002.  
<http://www.galabau.de/>

**Organizer:**

**NürnbergMesse GmbH**

Messezentrum  
90471 Nürnberg  
Germany  
Managing Director: Mr. Bernd Diederichs  
Ph: 49-911-8606-0  
Fax: 49-911-8606-8228  
Email: [info@nuernbergmesse.de](mailto:info@nuernbergmesse.de)  
[www.nuernbergmesse.de](http://www.nuernbergmesse.de)

## **IGW**

IGW (International Green Week Berlin) takes place January 13-22, 2006 in Berlin. It features the food, agricultural and horticultural industries and attracted over 440,000 visitors and 1,500 exhibitors in 2005,

[http://www1.messe-berlin.de/vip8\\_1/website/MesseBerlin/htdocs/www.gruenewoche.de/index\\_d.html](http://www1.messe-berlin.de/vip8_1/website/MesseBerlin/htdocs/www.gruenewoche.de/index_d.html)

## **Organizer:**

### **Messe Berlin GmbH**

Messedamm 22

14055 Berlin

Germany

Managing Director: Mr. Bjoern Bieneck,

Ph: 49-30-3038-2026

Fax: 49-30-3038-2019

Email: [igw@messe-berlin.de](mailto:igw@messe-berlin.de)

URL: [www.messe-berlin.de](http://www.messe-berlin.de)

## **D. Key Contacts**

### **Associations**

Associations play an important role in the German industry. While they represent the interests of their members, they also provide useful market information. Some of the major associations active in the fertilizer industry are:

*Bundesforschungsanstalt für Landwirtschaft – FAL*

*Institut für Marktanalyse und Agrarhandelspolitik*

(Federal Agricultural Research Center - Institute of Market Analysis and Agricultural Trade Policy)

Bundesallee 50

38116 Braunschweig

Germany

Ph: 49-531-5965301

Fax: 49-531-5965399

E-Mail: [ma@fal.de](mailto:ma@fal.de)

URL: [www.ma.fal.de](http://www.ma.fal.de)

Activities include research on national, EU and world agricultural and food markets with a focus on agricultural market analysis and assessment of trade policies.

*Zentralstelle für Agrardokumentation und -information - ZADI*

(German Center for Documentation and Information on Agriculture)

Villichgasse 17

53177 Bonn

Germany

Ph: 49-228-95480

Fax: 49-228-9548111

Email: [zadi@zadi.de](mailto:zadi@zadi.de)

URL: [www.zadi.de](http://www.zadi.de)

ZADI is the scientific information institute of the Federal Ministry of Consumer Protection, Food and Agriculture (BMVEL).

*Zentrum für Agrarlandschafts- und Landnutzungsforschung - ZALF*  
(Leibniz-Center for Agricultural Landscape and Land-use Research)  
Eberswalder Strasse 84  
15374 Müncheberg  
Germany  
Ph: 49-33432-820  
Fax: 49-33432-82223  
Email: [zalf@zalf.de](mailto:zalf@zalf.de)  
URL: [www.zalf.de](http://www.zalf.de)

The Leibniz-Center for Agricultural Landscape and Land Use Research (ZALF) has been in existence since the beginning of 1992.

The primary scientific objective of the ZALF is to analyze, evaluate and predict processes and their interactions in agricultural landscapes of the Northeast-German lowlands. Based on the knowledge of functional relationships within ecosystems, concepts for the use and organization of landscapes are developed.

*Verband deutscher landwirtschaftlicher Untersuchungs- und Forschungsanstalten - VDLUFA*  
(Association of German Agricultural Analysis and Research Institutes)  
c/o LUFA Speyer  
Ober Langgasse 40  
67346 Speyer  
Germany  
Ph: 49-6232-136121  
Fax: 49-6232-136-110  
Email: [info@vdlufa.de](mailto:info@vdlufa.de)  
URL: [www.vdlufa.de](http://www.vdlufa.de)

VDLUFA, with its headquarter in Darmstadt, is an alliance of agricultural and dairy analysis and research institutes, university research centers, and German federal research institutes.

*Industrieverband Agrar e. V. - IVA*  
(Association of the Agricultural Industry)  
Karlstrasse 21  
60329 Frankfurt am Main  
Germany  
Ph: 49-69-2556-1249  
Fax: 49-69-2556-1298  
Email: [service.ifa@vci.de](mailto:service.ifa@vci.de)  
URL: [www.iva.de](http://www.iva.de)

IVA consists of 50 member companies, which are active in the agricultural and horticultural fertilizer and pest management sectors.

*Deutsche Landwirtschaftsgesellschaft - DLG*  
(German Agricultural Society)  
Eschborner Landstr. 122  
60489 Frankfurt am Main  
Germany  
Ph: 49-69-247880  
Fax: 49-69-24788110  
Email: [info@dlg-frankfurt.de](mailto:info@dlg-frankfurt.de)  
URL: [www.dlg.org](http://www.dlg.org)

DLG is a non-profit organization representing companies from the agricultural sector.

*Verband der deutschen Landwirtschaftskammern e. V.*  
(German Association of the Chambers of Agriculture)  
Godesberger Allee 142-148  
53175 Bonn  
Germany  
Ph: 49-2 28-30 80-10  
Fax: 49-228-3080-110  
Email: [vlk-bonn@t-online.de](mailto:vlk-bonn@t-online.de)  
URL: [www.landwirtschaftskammern.de](http://www.landwirtschaftskammern.de)

The German Association of the Chambers of Agriculture coordinates the cooperation between its members and agricultural administrations in the individual states of Germany.

A more detailed listing of associations is available from CS Leipzig upon request. (For contact information, please see below.)

### **For More Information**

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Email: [Andrea.Diewald@mail.doc.gov](mailto:Andrea.Diewald@mail.doc.gov)

Internet: <http://www.buyusa.gov/germany/en>

The U.S. Commercial Service Germany can be contacted via e-mail at: [frankfurt.office.box@mail.doc.gov](mailto:frankfurt.office.box@mail.doc.gov), website: <http://www.buyusa.gov/germany/en/>.

You can locate your nearest U.S. Export Assistance Center, as well as Commercial Service offices overseas by visiting [www.buyusa.gov](http://www.buyusa.gov).

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